

Standard application peculiarities for subsidiary income taxes

Elakova A., Gudzhatullaeva E.

Kazan Federal University, 420008, Kremlevskaya 18, Kazan, Russia

Abstract

In modern Russia, a growing number of companies apply international standards in order to present their financial statements. There is the problem of two formats of financial reporting standards simultaneous application for these companies - Russian and international ones. The purpose of this paper is to analyze the practical application of the accounting provision "The accounting of settlements on profit tax" by a Company (AP 18/02) and the correlation of the methodology and generated values with IFRS standards (IAS) 12 "Income taxes". 2. In this paper we estimated the application practice of AP 18/02 "The accounting of settlements on profit tax" based on comparison methods, the system and logical-semantic analysis and synthesis, the comparison of methodology provided by Russian standard with international standard regulations. 3. The estimation of corporate methodology for the application of AP 18/02 "The accounting of settlements on profit tax", the main problems of the parallel use of Russian and international accounting standards were determined for company financial reporting. 4. The Company has the developed method of accounting standard application regulating the indicators of a financial reporting related to the income tax calculations. 5. The application of IFRS 12 for the preparation of corporate accounting with the subsequent consolidation purposes in international format requires a significant amount of parallel accounting work from a Company. The provision of compliance with IFRS requires the reforming of internal corporate finance management system, the creation of a new information flow logistics, and the increase of accounting process automation level, directed at responsible personnel training.

Keywords

Deductible Temporary Difference, Tax Base, Taxable Temporary Difference, Temporary Difference